

Auditing Procedures Report

Issued under P.A. 2 of 1988, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Township of Sand Beach	County Huron
Audit Date 3/31/04	Opinion Date 4/20/04	Date Accountant Report Submitted to State: 7/1/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1988, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Nietzke & Faupel, P.C.			
Street Address 7274 Hartley Street	City Pigeon	State MI	ZIP 48755
Accountant Signature <i>Brian Stazd</i> CPA		Date 7/1/04	

**TOWNSHIP OF SAND BEACH
HURON COUNTY, MICHIGAN**

**FINANCIAL REPORT
MARCH 31, 2004**

THIS PAGE INTENTIONALLY LEFT BLANK

TOWNSHIP OF SAND BEACH

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS	2
Combined Balance Sheet – All Fund Types and Account Groups	3
Combined Statement of Revenue, Expenditures and Changes In Fund Balance – All Governmental Fund Types	4
Combined Statement of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual – All Governmental Fund Types	5
Statement of Revenue, Expenses and Changes in Retained Earnings – All Proprietary Fund Types	6
Statement of Cash Flows – All Proprietary Fund Types	7
Notes to the Financial Statements	8 – 15
SUPPLEMENTAL INFORMATION	16
General Fund:	
Statement of Revenue – Budget and Actual	17
Statement of Expenditures – Budget and Actual	18
Enterprise Fund:	
Balance Sheet	19
Statement of Revenue, Expenses and Changes in Retained Earnings	20
Statement of Cash Flows	21
Trust and Agency Funds:	
Combining Balance Sheet	22
Perpetual Care Fund:	
Statement of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual	23
Tax Collection Agency Fund:	
Statement of Changes in Assets and Liabilities	24
Schedule of Additions and Deductions	25
Schedule of General Fixed Assets by Function and Activity	26
Schedule of 1999 Water System Improvements Project Bonds Payable	27



ALLAN W. NIETZKE, CPA
DONALD C. FAUPEL, CPA
JEFFREY P. BUSHEY, CPA
BRIAN V. HAZARD, CPA

Members of: Michigan Association of Certified Public Accountants • American Institute of Certified Public Accountants

CPA's On Your Team

INDEPENDENT AUDITOR'S REPORT

Honorable Township Board Members
Township of Sand Beach
Huron County, Michigan

We have audited the accompanying general purpose financial statements of the Township of Sand Beach, Huron County, Michigan, as of March 31, 2004 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Township of Sand Beach, Huron County, Michigan. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Sand Beach, Huron County, Michigan, as of March 31, 2004, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Township of Sand Beach, Huron County, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Nietzke & Faupel, PC
NIETZKE & FAUPEL, P.C.
PIGEON, MICHIGAN

April 20, 2004

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWNSHIP OF SAND BEACH

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004**

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE	FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUP		TOTALS	
	SPECIAL					GENERAL	FIXED ASSETS	(MEMORANDUM ONLY)	
	GENERAL	REVENUE						2004	2003
ASSETS									
Cash and investments	\$ 386,582	\$ 38,049	\$ 31,814	\$ 81,083			\$ 537,538	\$ 577,986	
Cash and investments - restricted	115,328	-	659,790	-			775,118	768,863	
Receivables:									
Taxes	9,938	-	-	-			9,938	11,275	
Accounts	-	-	14,354	-			14,354	14,251	
Assessments	-	-	1,131,144	-			1,131,144	1,271,517	
Advance to other funds	86,000	-	-	-			86,000	101,000	
Fixed assets:									
Land and building	-	-	-	-		86,474	86,474	86,474	
Water lines and tower	-	-	2,695,275	-		-	2,695,275	2,695,275	
Equipment	-	-	13,082	-		42,580	55,642	51,542	
Investment in fire department	-	-	-	-		200,400	200,400	200,400	
Cemetery improvements	-	-	-	-		20,500	20,500	20,500	
Less: Accumulated depreciation	-	-	(174,169)	-		-	(174,169)	(117,961)	
Deferred charges (net of accumulated amortization)	-	-	82,069	-		-	82,069	87,219	
TOTAL ASSETS	\$ 597,848	\$ 38,049	\$ 4,453,379	\$ 81,083		\$ 349,934	\$ 5,520,303	\$ 5,768,321	
LIABILITIES AND FUND EQUITY									
LIABILITIES:									
Accounts and payroll withholdings payable	\$ 4,307	\$ 2,738	\$ 284	\$ -		\$ -	\$ 7,329	\$ 5,052	
Advance from other funds	-	-	86,000	-		-	86,000	101,000	
Deferred revenue	-	-	1,107,372	-		-	1,107,372	1,240,806	
Bonds payable	-	-	2,275,000	-		-	2,275,000	2,375,000	
TOTAL LIABILITIES	4,307	2,738	3,468,655	-		-	3,475,700	3,721,858	
FUND EQUITY:									
Investment in general fixed assets	-	-	-	-		349,934	349,934	345,834	
Retained earnings:									
Reserved	-	-	659,790	-		-	659,790	655,657	
Unreserved	-	-	324,933	-		-	324,933	288,685	
Fund balance:									
Reserved for fire protection	1,506	-	-	-		-	1,506	1,283	
Reserved for perpetual care	-	-	-	81,083		-	81,083	80,543	
Reserved for debt service	115,328	-	-	-		-	115,328	113,206	
Unreserved	478,707	35,311	-	-		-	512,018	583,255	
TOTAL FUND EQUITY	593,541	35,311	984,723	81,083		349,934	2,044,802	2,046,463	
TOTAL LIABILITIES AND FUND EQUITY	\$ 597,848	\$ 38,049	\$ 4,453,379	\$ 81,083		\$ 349,934	\$ 5,520,303	\$ 5,768,321	

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SAND BEACH

**COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004**

	GENERAL	SPECIAL REVENUE	TOTALS (MEMORANDUM ONLY)	
			MARCH 31,	
			2004	2003
REVENUE:				
Taxes	\$218,873	\$ -	\$ 218,873	\$ 214,851
Licenses and permits	500	-	500	1,080
Intergovernmental revenues	110,455	-	110,455	119,836
Charges for services	16,000	18,361	34,361	31,838
Interest	6,787	-	6,787	8,773
Other	3,836	80	3,916	964
TOTAL REVENUE	<u>356,451</u>	<u>18,441</u>	<u>374,892</u>	<u>377,342</u>
EXPENDITURES:				
General government	62,533	29,789	92,322	87,887
Public safety	48,219	-	48,219	46,472
Public works	300,825	-	300,825	200,706
TOTAL EXPENDITURES	<u>411,577</u>	<u>29,789</u>	<u>441,366</u>	<u>335,065</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(55,126)</u>	<u>(11,348)</u>	<u>(66,474)</u>	<u>42,277</u>
OTHER FINANCING SOURCES:				
Operating transfers in	-	6	6	2,445
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>(55,126)</u>	<u>(11,342)</u>	<u>(66,468)</u>	<u>44,722</u>
FUND BALANCE - APRIL 1	648,666	49,078	697,744	653,022
PRIOR PERIOD ADJUSTMENT		(2,425)	(2,425)	
FUND BALANCE - MARCH 31	<u>\$593,540</u>	<u>\$ 35,311</u>	<u>\$ 628,851</u>	<u>\$ 697,744</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SAND BEACH

**COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004**

	GENERAL FUND			SPECIAL REVENUE FUND			TOTALS (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUE:									
Taxes	\$ 218,600	\$ 218,873	\$ 273	\$ -	\$ -	\$ -	\$ 218,600	\$ 218,873	\$ 273
Licenses and permits	1,000	500	(500)	-	-	-	1,000	500	(500)
Intergovernmental revenues	110,500	110,455	(45)	-	-	-	110,500	110,455	(45)
Charges for services	14,500	16,000	1,500	20,050	18,361	(1,689)	34,550	34,361	(189)
Interest	7,000	6,787	(213)	100	-	(100)	7,100	6,787	(313)
Other	1,300	3,836	2,536	60	80	-	1,360	3,916	2,536
TOTAL REVENUE	352,900	356,451	3,551	20,230	18,441	(1,789)	373,130	374,892	1,762
EXPENDITURES:									
General government	71,140	62,533	8,607	28,320	29,769	(1,469)	99,460	92,322	7,138
Public safety	48,545	48,219	326	-	-	-	48,545	48,219	326
Public works	233,215	300,825	(67,610)	-	-	-	233,215	300,825	(67,610)
TOTAL EXPENDITURES	352,900	411,577	(58,677)	28,320	29,769	(1,469)	361,220	441,366	(60,146)
EXCESS OF REVENUE (UNDER)									
EXPENDITURES	-	(55,126)	(55,126)	(8,090)	(11,348)	(3,258)	(8,090)	(66,474)	(58,384)
OTHER FINANCING SOURCES:									
Operating transfers in	-	-	-	2,500	6	(2,494)	2,500	6	(2,494)
EXCESS OF REVENUE AND OTHER SOURCES (UNDER)									
EXPENDITURES	-	(55,126)	(55,126)	(5,590)	(11,342)	(5,753)	(5,590)	(66,468)	(60,878)
FUND BALANCE - APRIL 1	648,686	648,686	-	49,078	49,078	-	697,744	697,744	-
PRIOR PERIOD ADJUSTMENT				(2,425)	(2,425)	-	(2,425)	(2,425)	-
FUND BALANCE - MARCH 31	648,686	593,540	(55,126)	\$ 41,053	\$ 36,311	\$ (5,753)	\$ 695,729	\$ 628,851	\$ (60,878)

The accompanying notes are an integral part of the financial statements

TOWNSHIP OF SAND BEACH
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004

	ENTERPRISE FUND
OPERATING REVENUE:	
Charges for services	<u>\$ 70,160</u>
OPERATING EXPENSES:	
Bookkeeping	1,220
Mileage	374
Miscellaneous	1,238
Postage	233
Printing and publishing	196
Supplies	4,236
Taxes - Payroll	615
Utilities	590
Wages	8,043
Water purchased	29,014
Water testing	372
Depreciation	56,208
Professional fees	962
Insurance	2,629
Repairs	<u>243</u>
TOTAL OPERATING EXPENSES	106,173
OPERATING (LOSS)	<u>(36,013)</u>
NONOPERATING REVENUE (EXPENSES):	
Interest revenue	11,008
Rental income	5,000
Special assessments	198,984
Late fees	623
Miscellaneous expense	13,660
Interest expense	(122,863)
Fees	(2,887)
Amortization of bond issue costs	<u>(5,131)</u>
TOTAL NONOPERATING REVENUE	98,394
NET INCOME	<u>62,381</u>
RETAINED EARNINGS - APRIL 1	922,342
RETAINED EARNINGS - MARCH 31	<u>\$ 984,723</u>

TOWNSHIP OF SAND BEACH
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004

	ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 67,524
Cash payments for goods and services	(20,103)
Cash payments to employees	(8,043)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>39,378</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Advance paid to other funds	(15,000)
Principal paid on bonds	(100,000)
Interest and fees paid on bonds	(125,749)
Collection of special assessments	205,921
NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(34,828)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on investments	11,008
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>11,008</u>
NET INCREASE IN CASH	<u>15,558</u>
CASH - APRIL 1	676,046
CASH - MARCH 31	<u>\$ 691,604</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating (loss)	\$ (36,013)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation	56,208
Change in assets and liabilities:	
(Increase) in accounts receivable	(103)
(Decrease) in accounts payable	3
Miscellaneous income and fees	14,283
Rental income	5,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 39,378</u>

TOWNSHIP OF SAND BEACH
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description of Township Operations:

The Township is located in Huron County, Michigan, and has approximately 1,470 residents. It is governed by a five person elected board and provides the following services to its residents: fire protection, highways and streets, sanitation facility, general administrative services and water services.

Reporting Entity:

In accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, the definition of the reporting entity is based primarily on the premise of financial accountability. The Township is a primary government and is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organizations' governing body and either it is able to impose its will on that organization or there is a potential for the organizations to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. These types of organizations are deemed component units.

Based on the provisions of GASB 14, there are no organizations that are deemed to be component units of the Township.

Accounting Estimates:

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures/expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Basis of Presentation:

The accounts of the Township are organized on the basis of funds and account groups, each of which is a separate accounting entity with its own set of self-balancing accounts including assets, liabilities, fund equity, revenues and expenditures/expenses. The following funds and account groups are used by the Township:

Governmental Fund Types:

General Fund – This fund is the general operating fund of the Township. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Special Revenue Fund: - This fund (Cemetery Fund) is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

TOWNSHIP OF SAND BEACH
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Proprietary Fund Type: - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing services to the general public on a continuing basis are financed through user charges.

Fiduciary Fund Types:

Trust and Agency Funds - These funds are used to account for assets held in trust or as an agent for others.

Account Group:

General Fixed Assets - This account group is used to account for fixed assets used in governmental fund type operations. All fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

"Totals - (Memorandum Only)":

The total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and trust and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

TOWNSHIP OF SAND BEACH
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Basis of Accounting: (Continued)

Those revenues susceptible to accrual are property taxes, licenses, interest revenue and charges for services. Fine and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Property Taxes:

Properties are assessed as of December 31, and the related property taxes become a lien on December 1, of the following year. These taxes are due on February 14, with the final collection date of February 28, before they are added to the county tax rolls.

The delinquent real property taxes of the Township are purchased by the County of Huron. The County sells tax notes, the proceeds of which are used to pay the Township for these property taxes. These taxes have been recorded as revenue for the current year.

General Fixed Assets:

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

NOTE 2 – BUDGETS:

In the combined financial statements, the Township's actual expenditures and budgeted expenditures, as amended, for budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the line item level.

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amounts appropriated. Actual expenditures exceeded budgeted expenditures in the following budgetary funds.

	<u>TOTAL APPROPRIATION</u>	<u>AMOUNT OF EXPENDITURES</u>	<u>BUDGET VARIANCE</u>
General Fund:			
Taxes - FICA	\$ 3,425	\$ 3,445	\$ (20)
Road maintenance & construction	203,190	275,683	(72,493)

TOWNSHIP OF SAND BEACH
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 2 – BUDGETS: (CONTINUED)

	<u>TOTAL APPROPRIATION</u>	<u>AMOUNT OF EXPENDITURES</u>	<u>BUDGET VARIANCE</u>
Special Revenue Fund:			
General government	\$28,320	\$29,789	\$(1,469)

NOTE 3 – CASH AND INVESTMENTS:

Deposits – The Township's cash accounts consist of various interest bearing checking accounts and certificates of deposit. As of March 31, 2004, the carrying amount of the Township's deposits was \$893,592 and the bank balance was \$895,080. Of the bank balance, \$281,588 was covered by Federal Depository Insurance and included \$516,924 in certificates of deposit.

Investments – State statutes authorize the Township to invest in obligations of the U.S. Treasury and U.S. agencies, deposit agreements with federally insured financial institutions within the State of Michigan, high grade commercial paper, repurchase obligations of the U.S. Government and U.S. agencies, banker's acceptance of U.S. banks and mutual funds comprised of the above authorized investments. The Township has funds invested in Comerica Bank Municipal Investment Fund – a non-risk categorized investment – with a carrying value and market value of \$419,064.

Restricted – Restricted cash consists of funds held in the General and Water Funds as follows:

Restricted for special assessments	\$115,328
Restricted for bond payable	<u>659,790</u>
	<u>\$775,118</u>

NOTE 4 – CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets for the year ended March 31, 2004 is as follows:

	<u>BALANCE APRIL 1, 2003</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE MARCH 31, 2004</u>
Fire department	\$200,400	\$ -	\$ -	\$200,400
Building and land	86,474	-	-	86,474
Equipment	38,460	4,100	-	42,560
Cemetery Improvements	20,500	-	-	20,500
	<u>\$345,834</u>	<u>\$4,100</u>	<u>\$ -</u>	<u>\$349,834</u>

TOWNSHIP OF SAND BEACH
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 5 – PROPRIETARY FUND FIXED ASSETS:

Additions to the water system are recorded at cost or, if contributed property, at their estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Water lines and tower	50 years
Equipment	10 years

NOTE 6 – INTERFUND RECEIVABLE AND PAYABLE BALANCES:

Interfund receivable and payable balances as of March 31, 2004 are as follows:

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$86,000	\$ -
Enterprise Fund: Water Fund	-	86,000
	<u>\$86,000</u>	<u>\$86,000</u>

NOTE 7 – BONDS PAYABLE:

The general obligation bond payable to Huron County D.P.W. provides for semi-annual payments sufficient in amount to pay the County D.P.W. bonds. The following is a summary of the County D.P.W. bond transactions for the year ended March 31, 2004:

Balance April 1, 2003	\$2,375,000
Reductions	(100,000)
Balance March 31, 2004	<u>\$2,275,000</u>

Maturities on or prior to December 1, 2007 are non-callable. Bonds called for redemption after December 1, 2007 shall be redeemed at par. The bonds are due as follows:

December 1, 2004	\$100,000 /yr
December 1, 2005-2008	125,000 /yr
December 1, 2009-2018	150,000 /yr
December 1, 2019	175,000

TOWNSHIP OF SAND BEACH
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 7 – BONDS PAYABLE: (CONTINUED)

The following is a summary of annual principal and interest payments for the Township's bonds payable at March 31:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$ 100,000	\$ 118,238	\$ 218,238
2006	125,000	113,538	238,538
2007	125,000	107,600	232,600
2008	125,000	101,600	226,600
2009	125,000	95,538	220,538
2010	150,000	89,350	239,350
2011	150,000	81,775	231,775
2012	150,000	74,125	224,125
2013	150,000	66,325	216,325
2014	150,000	58,450	208,450
2015	150,000	50,500	200,500
2016	150,000	42,475	192,475
2017	150,000	34,375	184,375
2018	150,000	26,125	176,125
2019	150,000	17,875	167,875
2020	175,000	9,625	184,625
	<u>\$2,275,000</u>	<u>\$1,087,514</u>	<u>\$3,362,514</u>

NOTE 8 – PROPERTY TAX LEVY:

The Township's tax levy for the year is based on a taxable value of \$50,648,046. The mills levied per \$1,000 of taxable value are as follows:

General	1.1250
Roads	1.9530
Fire	<u>.9090</u>
	<u>3.9870</u>

NOTE 9 – RISK MANAGEMENT:

General Liability:

Sand Beach Township participates in the Michigan Township Participating Plan, which is a public entity risk pool, for the coverage of significant losses due to its general liability. The participation in the pool constitutes transfer of the risk for significant losses to the pool for real and personal property losses and for liability losses. Sand Beach Township is required to pay annual premiums to the Michigan Township Participating Plan for the liability coverage. No supplemental premium assessment is required by the Michigan Township Participating Plan. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

TOWNSHIP OF SAND BEACH
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 9 – RISK MANAGEMENT: (CONTINUED)

Workers' Compensation:

Sand Beach Township purchased commercial insurance coverage for losses related to workers' compensation claims.

NOTE 10 – JOINT VENTURE:

Fire Protection – Pursuant to an inter-local agreement dated September 10, 1984 between the Township and the City of Harbor Beach, fire protection services are provided by the Harbor Beach Community Fire Protection Association. At inception, the Township contributed \$200,400 for its equity interest in the equipment of the Association and this amount has been recorded in the General Fixed Asset Account Group of the Township. The Township makes annual operating contributions to the Association based on a formula involving SEV, population, dwelling units, number of fire runs and miles of roads which is included in the agreement and amounted to \$46,069 for the year ended March 31, 2004. The equity interest is calculated based on the Township's total contributions as a percentage of all contributions received by the Association. As of March 31, 2004, the equity interest recorded by the Township consists of the original contribution in the amount of \$200,400. Separate financial statements through 2002 for the joint venture are available from the Harbor Beach Community Fire Protection Association. As of December 31, 2002, general fund equity was \$146,290 and general fixed assets amounted to \$706,023.

Ambulance Service – Pursuant to an interlocal agreement dated October 2, 1978 between the Township and the City of Harbor Beach, the Villages of Port Hope and Forestville, and Townships of Bloomfield, Gore, Huron, Rubicon, Sherman, the north half of Delaware and the east half of Sigel, ambulance service is provided by the Eastern Huron Ambulance Service Association. The Township makes annual operating contributions to the Association based on population of the Township which amounted to \$1,470 for the year ended March 31, 2004. The equity interest is calculated based on the Township's total contributions as a percentage of all contributions received by the Association. However, upon withdrawal by a constituent unit, the equity interest can be received only in the form of ambulance runs. Separate financial statements for the joint venture are available from the Eastern Huron Ambulance Service Association. As of December 31, 2002, fund equity amounted to \$378,178.

NOTE 11 – WATER SUPPLY SYSTEM:

During the year ended March 31, 1999, a water system extension special assessment district was formed to fund the construction of water transmission lines for the benefit of certain Township residents. The Township contracted with the Huron County D.P.W. Fund to finance the project through the sale of \$2,625,000 of bonds. The Township specially assessed the benefited users \$1,981,000. The special assessments are to be collected by the Township over a 20 year period with interest at 1% above the average interest rate on the bonds. Residents were allowed to prepay the total assessment of \$7,000 or the first annual assessment of \$350 prior to March 1, 1999 without interest. The Township is responsible for making semi-annual payments to the County D.P.W. in amounts sufficient to retire the bonded indebtedness. The contract with the County is secured by the Township's full faith and credit.

TOWNSHIP OF SAND BEACH
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 11 – WATER SUPPLY SYSTEM: (CONTINUED)

Subsequent to collection of two years assessments, a shortfall in the project was estimated at \$189,000. At the April 12, 2000 Township board meeting, a plan was approved to reassess the users \$89,000 over 18 years, plus interest and to set aside \$100,000 from the General Fund to cover the estimated shortfall.

NOTE 12 – RESERVED FUND EQUITY:

General Fund – During the year ended March 31, 2001, the Township set aside \$100,000 for 18 years to fund an estimated shortfall in the amount of special assessments needed to pay for the water supply system. As of March 31, 2004, the investment amounted to \$115,328.

Water Fund – Part of the retained earnings is reserved in the Water Fund for the future debt retirement of the water supply system bonds through the Huron County D.P.W. Fund. As of March 31, 2004, the reserved amount is \$659,790.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

Money received in the prior year for pre-payment of cemetery grave openings was incorrectly included in income in the prior year. This money should have been recorded as a liability. The prior period adjustment makes this correction.

SUPPLEMENTAL INFORMATION

TOWNSHIP OF SAND BEACH

**STATEMENT OF GENERAL FUND REVENUE
BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TAXES:			
Taxes	\$ 201,800	\$ 201,839	\$ (181)
Administration fees	16,800	17,234	434
TOTAL TAXES	<u>218,600</u>	<u>218,873</u>	<u>273</u>
LICENSES AND PERMITS	<u>1,000</u>	<u>500</u>	<u>(500)</u>
INTERGOVERNMENTAL:			
State revenue sharing	110,000	110,015	15
Liquor fees	500	440	(60)
TOTAL INTERGOVERNMENTAL	<u>110,500</u>	<u>110,455</u>	<u>(45)</u>
CHARGES FOR SERVICES	<u>14,500</u>	<u>16,000</u>	<u>1,500</u>
INTEREST	<u>7,000</u>	<u>6,787</u>	<u>(213)</u>
OTHER REVENUE	1,300	3,836	2,536
TOTAL REVENUES	<u>\$ 352,900</u>	<u>\$ 356,451</u>	<u>\$ 3,551</u>

TOWNSHIP OF SAND BEACH

**STATEMENT OF GENERAL FUND EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
GENERAL GOVERNMENT:			
Supervisor and assessor:			
Salary	\$ 16,943	\$ 16,943	\$ -
Treasurer:			
Salary	8,786	8,786	-
Clerk:			
Salary	8,786	8,786	-
Trustees:			
Salaries	2,422	2,422	-
Administration:			
Supplies and materials	2,375	2,372	3
Travel	2,000	1,436	564
Special permit expense	400	-	400
Legal and audit	3,000	975	2,025
Printing and publishing	500	84	416
Hall repairs	2,100	826	1,274
Insurance	3,873	3,730	143
Dues	1,100	993	107
Utilities	1,400	1,142	258
Taxes - F.I.C.A.	3,425	3,445	(20)
Board of review	1,325	1,300	25
Summer tax collection	2,880	2,765	115
Miscellaneous	1,075	615	460
Contract services	2,000	1,731	269
Bookkeeping	1,000	871	129
Election	1,000	-	1,000
Education	2,100	743	1,357
Liquor	500	440	60
Capital outlay	2,150	2,128	22
TOTAL GENERAL GOVERNMENT	<u>71,140</u>	<u>62,533</u>	<u>8,607</u>
PUBLIC SAFETY:			
Fire protection	46,075	46,069	6
Ambulance	1,470	1,470	-
Zoning salaries	1,000	680	320
TOTAL PUBLIC SAFETY	<u>48,545</u>	<u>48,219</u>	<u>326</u>
PUBLIC WORKS:			
Drains at large	2,000	543	1,457
Road maintenance and construction	203,190	275,583	(72,493)
Ditches	1,000	-	1,000
Brine	6,000	5,781	219
Sanitation salaries	3,200	3,196	4
Sanitation supplies and materials	12,825	10,622	2,203
Hydrant rental	5,000	5,000	-
TOTAL PUBLIC WORKS	<u>233,215</u>	<u>300,825</u>	<u>(67,610)</u>
TOTAL EXPENDITURES	<u>\$ 352,900</u>	<u>\$ 411,577</u>	<u>\$ (58,677)</u>

TOWNSHIP OF SAND BEACH

**ENTERPRISE FUND
BALANCE SHEET
MARCH 31, 2004**

(MEMORANDUM ONLY)

<u>ASSETS</u>	<u>WATER FUND</u>	<u>MARCH 31, 2003</u>
CURRENT ASSETS:		
Cash	\$ 31,814	\$ 20,389
Accounts receivable	14,354	14,251
Assessments receivable	23,772	30,711
TOTAL CURRENT ASSETS	69,940	65,350
RESTRICTED ASSETS:		
Cash for bonds payable	659,790	655,657
TOTAL RESTRICTED ASSETS	659,790	655,657
FIXED ASSETS:		
Water lines and tower	2,695,275	2,695,275
Equipment	13,082	13,082
	2,708,357	2,708,357
Less: Accumulated depreciation	(174,169)	(117,961)
FIXED ASSETS - NET	2,534,188	2,590,396
OTHER ASSETS:		
Assessments receivable	1,107,372	1,240,806
Deferred charges (net of accumulated amortization)	82,089	87,219
TOTAL OTHER ASSETS	1,189,461	1,328,026
TOTAL ASSETS	\$ 4,453,379	\$ 4,639,429
<u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 284	\$ 281
TOTAL CURRENT LIABILITIES	284	281
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:		
Bonds payable - County	100,000	100,000
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	100,000	100,000
NONCURRENT LIABILITIES:		
Advance payable - other funds	86,000	101,000
Bonds payable - County	2,175,000	2,275,000
Deferred revenue	1,107,372	1,240,806
TOTAL NONCURRENT LIABILITIES	3,368,372	3,616,806
FUND EQUITY:		
Retained earnings:		
Reserved for bonds payable	659,790	655,657
Unreserved	324,933	266,685
TOTAL FUND EQUITY	984,723	922,342
TOTAL LIABILITIES AND FUND EQUITY	\$ 4,453,379	\$ 4,639,429

TOWNSHIP OF SAND BEACH
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ENTERPRISE FUND
FOR THE YEAR ENDED MARCH 31, 2004

	WATER FUND	(MEMORANDUM ONLY) MARCH 31, 2003
OPERATING REVENUE:		
Charges for services	\$ 70,160	\$ 68,323
TOTAL OPERATING REVENUE	<u>70,160</u>	<u>68,323</u>
OPERATING EXPENSES:		
Bookkeeping	1,220	1,241
Mileage	374	395
Legal fees		20,398
Miscellaneous	1,238	579
Postage	233	221
Printing and publishing	196	588
Supplies	4,236	3,906
Taxes - Payroll	615	537
Utilities	590	1,003
Wages	8,043	7,021
Water purchased	29,014	18,595
Water testing	372	160
Depreciation	56,208	55,650
Professional fees	962	818
Insurance	2,629	2,198
Repairs	243	1,492
TOTAL OPERATING EXPENSES	<u>106,173</u>	<u>114,802</u>
OPERATING (LOSS)	<u>(36,013)</u>	<u>(46,479)</u>
NONOPERATING REVENUE (EXPENSES):		
Interest revenue	11,006	20,517
Rental income	5,000	5,000
Special assessments	198,984	194,608
Water hookup fees		17,500
Late fees	623	712
Miscellaneous revenue (expense)	13,660	(14,340)
Interest expense	(122,863)	(127,488)
Fees	(2,867)	(2,484)
Amortization of bond issue costs	(5,131)	(5,131)
TOTAL NONOPERATING REVENUE	<u>98,394</u>	<u>88,894</u>
NET INCOME	<u>62,381</u>	<u>42,415</u>
RETAINED EARNINGS - APRIL 1	922,342	879,927
RETAINED EARNINGS - MARCH 31	<u>\$ 984,723</u>	<u>\$ 922,342</u>

TOWNSHIP OF SAND BEACH
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED MARCH 31, 2004

	<u>WATER FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 67,524
Cash payments for goods and services	(20,103)
Cash payments to employees	(8,043)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>39,378</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Advance paid to other funds	(15,000)
Principal paid on bonds	(100,000)
Interest and fees paid on bonds	(125,749)
Collection of special assessments	205,921
NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(34,828)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on investments	11,008
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>11,008</u>
NET INCREASE IN CASH	<u>15,558</u>
CASH - APRIL 1	676,046
CASH - MARCH 31	<u>\$ 691,604</u>
RECONCILIATION OF OPERATING (LOSS) TO	
NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating (loss)	\$ (36,013)
Adjustments to reconcile operating (loss)	
to net cash provided by operating activities:	
Depreciation	56,208
Change in assets and liabilities:	
(Increase) in accounts receivable	(103)
(Decrease) in accounts payable	3
Miscellaneous income and fees	14,283
Rental income	5,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 39,378</u>

TOWNSHIP OF SAND BEACH

**TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2004**

<u>ASSETS</u>	<u>PERPETUAL CARE FUND</u>	<u>TAX FUND</u>	<u>TOTALS</u>
Cash	\$ 81,093	\$ -	\$ 81,093
TOTAL ASSETS	<u>\$ 81,093</u>	<u>\$ -</u>	<u>\$ 81,093</u>
<u>LIABILITIES AND FUND EQUITY</u>			
FUND EQUITY:			
Fund balance - reserved	<u>\$ 81,093</u>	<u>\$ -</u>	<u>\$ 81,093</u>

TOWNSHIP OF SAND BEACH

**PERPETUAL CARE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Charges for services:			
Perpetual care sales	\$ -	\$ 550	\$ 550
Interest	-	6	6
TOTAL REVENUE	<u>-</u>	<u>556</u>	<u>556</u>
OTHER FINANCING (USES):			
Operating transfers out	(2,500)	(6)	2,494
TOTAL OTHER FINANCING (USES)	<u>(2,500)</u>	<u>(6)</u>	<u>2,494</u>
EXCESS OF REVENUE OVER OTHER FINANCING (USES)	<u>(2,500)</u>	<u>550</u>	<u>3,050</u>
FUND BALANCE - APRIL 1	80,543	80,543	-
FUND BALANCE - MARCH 31	<u>\$ 78,043</u>	<u>\$ 81,093</u>	<u>\$ 3,050</u>

TOWNSHIP OF SAND BEACH

**TAX COLLECTION AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED MARCH 31, 2004**

	BALANCE APRIL 1, 2003	ADDITIONS	DEDUCTIONS	BALANCE MARCH 31, 2004
<u>ASSETS</u>				
Cash in bank	\$ -	\$ 1,618,121	\$ 1,618,121	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 1,618,121</u>	<u>\$ 1,618,121</u>	<u>\$ -</u>
<u>LIABILITIES</u>				
Due to Huron County	\$ -	\$ 548,413	\$ 548,413	-
Due to schools	-	598,772	598,772	-
Due to library	-	75,700	75,700	-
Due to state	-	260	260	-
Due to other funds	-	394,976	394,976	-
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 1,618,121</u>	<u>\$ 1,618,121</u>	<u>\$ -</u>

TOWNSHIP OF SAND BEACH

**TAX COLLECTION AGENCY FUND
SCHEDULE OF ADDITIONS AND DEDUCTIONS
FOR THE YEAR ENDED MARCH 31, 2004**

ADDITIONS:

Current property tax	\$ 1,574,763
County revolving fund	42,589
Interest	584
Miscellaneous	185

TOTAL ADDITIONS

1,618,121

DEDUCTIONS:

Huron County	302,555
Huron County - SET	245,858
Huron Intermediate School District	229,929
Harbor Beach Community Schools	179,256
Harbor Beach District Library	75,700
Township allocated	57,293
Township roads	99,449
Township fire protection	46,311
Township water assessment	160,948
Siegel School #4	101
State of Michigan	260
Harbor Beach school debt	189,486
Other	30,975

TOTAL DEDUCTIONS

1,618,121

NET ADDITIONS OVER DEDUCTIONS

\$ -

TOWNSHIP OF SAND BEACH

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY MARCH 31, 2004

	LAND	BUILDING	EQUIPMENT	INVESTMENT IN FIRE DEPARTMENT	CEMETERY IMPROVEMENTS	TOTAL
GENERAL GOVERNMENT:						
Supervisor	\$ -	\$ -	\$ 4,981	\$ -	\$ -	\$ 4,981
Treasurer	-	-	2,702	-	-	2,702
Clerk	-	-	3,364	-	-	3,364
Hall	-	72,354	11,989	-	-	84,343
Land and tile	13,120	-	-	-	-	13,120
Miscellaneous	-	1,000	276	-	-	1,276
Cemetery	-	-	15,323	-	-	15,323
PUBLIC SAFETY:						
Fire protection	-	-	-	200,400	-	200,400
PUBLIC WORKS:						
Sanitation	-	-	3,925	-	-	3,925
CEMETERY:						
Improvements	-	-	-	-	20,500	20,500
TOTAL	<u>\$ 13,120</u>	<u>\$ 73,354</u>	<u>\$ 42,560</u>	<u>\$ 200,400</u>	<u>\$ 20,500</u>	<u>\$ 349,934</u>

TOWNSHIP OF SAND BEACH

**SCHEDULE OF 1999 WATER SYSTEM
IMPROVEMENTS PROJECT BONDS PAYABLE
MARCH 31, 2004**

MATURITY DATE	PRINCIPAL	RATE	INTEREST	TOTAL
06/01/04			\$ 59,119	\$ 59,119
12/01/04	\$ 100,000	4.700%	59,119	159,119
06/01/05			58,769	58,769
12/01/05	125,000	4.750%	58,769	181,769
06/01/06			53,800	53,800
12/01/06	125,000	4.800%	53,800	178,800
06/01/07			50,800	50,800
12/01/07	125,000	4.850%	50,800	175,800
06/01/08			47,769	47,769
12/01/08	125,000	4.950%	47,769	172,769
06/01/09			44,875	44,875
12/01/09	150,000	5.050%	44,875	194,875
06/01/10			40,888	40,888
12/01/10	150,000	5.100%	40,887	190,887
06/01/11			37,063	37,063
12/01/11	150,000	5.200%	37,062	187,062
06/01/12			33,163	33,163
12/01/12	150,000	5.250%	33,162	183,162
06/01/13			29,225	29,225
12/01/13	150,000	5.300%	29,225	179,225
06/01/14			25,250	25,250
12/01/14	150,000	5.350%	25,250	175,250
06/01/15			21,238	21,238
12/01/15	150,000	5.400%	21,237	171,237
06/01/16			17,188	17,188
12/01/16	150,000	5.500%	17,187	167,187
06/01/17			13,063	13,063
12/01/17	150,000	5.500%	13,062	163,062
06/01/18			8,938	8,938
12/01/18	150,000	5.500%	8,937	158,937
06/01/19			4,813	4,813
12/01/19	175,000	5.500%	4,812	179,812
	<u>\$ 2,275,000</u>		<u>\$ 1,087,514</u>	<u>\$ 3,362,514</u>